

D&S IFCA Funding Update

1. Purpose of the Report

The report provides an update on the status of national funding of IFCAs.

The report provides a summary of the background to the D&S IFCA national funding support and considers future funding options.

2. Actions

Members are asked to:

- **Consider** whether to pursue the proposal for national funding of D&S IFCA

3. National Funding.

Defra invited IFCAs to provide additional information to support its application to HM Treasury to maintain the current level of central funding to IFCAs through the Comprehensive Spending Review 2020 (SR20). The IFCAs' Chief Officers Group prepared a joint position paper and submitted it to Defra on 6th August 2020. This paper has been previously circulated to Members.

Defra subsequently confirmed that a bid of £3m each year for the next three years was submitted to HM Treasury. Defra has also notified Chief Officers that it wishes to engage with IFCAs this Autumn to develop IFCA reporting metrics to assist with Defra's allocation of future financial support.

It is unclear whether the Chancellor intends to continue with the SR20 due to the ongoing COVID pandemic. Confirmation from Defra is being sought as Defra had previously confirmed that 2020/21 was the last year when New Burden Money would be made available to IFCAs.

Defra currently allocate £409,297 of New Burdens Money to D&S IFCA. Based on the current expenditure of £740,000, Defra is theoretically supporting over 55% of the Authority's current budget. Two of D&S IFCA's Local Authorities are known to have approached Defra calling for complete central funding of D&S IFCA. The current use of section 31 grants to pay for five of the Local Authorities' entire contributions to the D&S IFCA budget demonstrates that there is a viable mechanism to achieve this goal.

There are many advantages to this approach for D&S IFCA and other IFCAs and given the additional pressure on local government finances caused by the pandemic, this may be the opportunity to fund IFCAs in the same way other partner organisations such as Natural England, the Marine Management Organisation and the Environment Agency and many other statutory bodies. It is likely that Local Authorities around England may also find the proposal attractive and it has been suggested by Defra that the matter should be raised through the Association of IFCAs.

The Chair raised the matter of national funding at the AIFCA meeting held on 1st October 2020. It was noted by those present that local government finances would be under even more pressure due to the pandemic and the matter would be considered at the next meeting. Although there was recognition from other members that D&S IFCA was under significant financial pressure and understood why every funding option was being considered, they felt

that a blend of local and national funding did reflect the benefits derived from the work of IFCA's.

The Chair and ACO will continue to engage with Defra and AIFCA to explore alternative funding options but it is felt that only by all the Local Authorities raising the matter, will Defra or the Minister take action to resolve a funding problem that has been known about since 2010.

Recommendations

- 1. That D&S IFCA should receive 100% of its funding through central government contributions to its Local Authorities.**
- 2. The Local Authorities should engage with Defra to seek ways to deliver the change to national funding of D&S IFCA.**